## MEMORANDUM OF UNDERSTANDING

## **DISABILITY BENEFITS**

This Memorandum of Understanding is entered into by and between LATA/Parallax Portsmouth, LLC ("LPP" or "the Company") and the United Steel Workers (USW) Local Union No. 689 ("the Union").

The parties wish to clarify certain existing provisions of the collective bargaining agreement between them, the effective dates of which are March 27, 2007, through September 30, 2009 ("the Contract"), and to make clear the rights and obligations of the Company and the employees in relation to disability benefits. The Union and the Company hereby agree as follows:

1. Article XVII, Section 3 (b) of the Contract, relating to the payment period for sickness and disability benefits, shall be made for a period of time as follows:

Following the sixteen (16) hour waiting period, payments for any one period of non-occupational disability shall be made as follows:

Tier 1: 100% pay for first 16 weeks

Tier 2: 85% pay for next 10 weeks

Tier 3: 60% thereafter until long term disability becomes effective, for a period of up to

90 days, as provided below.

- 2. Eligibility for Tier 3 benefit payments will be contingent upon the employee's timely submission of claim forms for long-term disability (LTD) benefits before the conclusion of the employee's second 10 weeks of disability leave (the Tier 2 benefit period). LTD benefit claim forms will be provide to employees in advance, employee then must file completed LTD benefits claim form at least 30 days before the end of the Tier 2 benefit period. Payment of Tier 3 benefits are also contingent upon the employee's cooperation with the LTD claim and approval process, including the submission of necessary medical documentation and forms as may be required and the filing of an appeal of a denial to the plan administrator of a claim for LTD benefits.
- 3. Up to a 90-day payment period for the receipt of Tier 3 benefits is provided to permit full processing of the employee's LTD claim or any appeal of a denial of benefits. This payment period will be granted only if the employee has filed a claim for LTD benefits and submitted all necessary forms and documentation or, if an initial claim has been denied, and an appeal has been submitted. Such period is considered null and void when LTD benefits have commenced immediately after tier 2 benefits conclude.
- 4. All Tier 3 payments as provided for in subsection 2 will be considered to be an advance from the Company to the employee against future LTD benefits. If the employee obtains retroactive lump sum LTD benefit payment, the employee will repay the Company for such additional Tier 3 benefits. The employee shall repay the sums advanced by the Company from any payment of retroactive LTD benefits that the employee receives within two weeks of receiving such LTD payment. In the event there is any dispute about the amount to be repaid to the Company or the schedule for or manner of repaying such an advance, the Company, the Union and the employee will meet to discuss the repayment. If the employee's application for LTD benefits is denied, and not appealed, or any appeal of a denial of LTD benefits subsequently again denied, the Tier 3 payments will cease, but the employee will not be obliged to repay to the Company any Tier 3 benefits that already have been received.
- 5. Article XVII, Section 3, subsection (c), shall be understood as follows:

An employee who is not receiving long-term disability benefits but who is not medically able to work shall be granted a leave of absence for the period of a non-occupational disability but not to exceed two (2) years, upon presentation of evidence satisfactory to the Company. Such two-year period shall be calculated starting on the date on which the employee receives a final decision from the Company's long-term disability (LTD) benefits administrator denying the employee's application for LTD benefits. It is further understood an employee who is not medically able to work and who is receiving long-term disability benefits for a non-occupational disability shall not be terminated at the end of the two (2)-year period and shall continue to have any rights that are provided for in the MEPP and/or the MEWA.

 All other terms and conditions of the Contract not addressed in this Memorandum of Understanding shall remain unchanged.

Agreed to this 25th day of February 2008

LATA Parallax Portsmouth

Linda Kobel, Business Manager

and

By: Dan Minter, President

United Steelworkers Local 689